



MAKERERE

UNIVERSITY

COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES (COBAMS)

**COMMERCIAL BANKS AND WOMEN EMPOWERMENT IN UGANDA; A CASE OF
RUKUNGIRI MUNICIPALITY**

BY

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
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**A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
ARTS IN ECONOMIC POLICY AND PLANNING OF
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DECLARATION

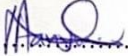
I, **TURYASINGURA TIMOTHY** hereby declare that this research report entitled "*Commercial Banks And Women Empowerment in Uganda; A Case of Rukungiri Municipality*" is my original work and has not been presented by anyone for the award of a degree in any other university.

Signature:  Date: 30th | 11 | 2022

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APPROVAL

This is to certify that the research report titled "*Commercial Banks and Women Empowerment in Uganda; A Case of Rukungiri Municipality*" was done by **TURYASINGURA TIMOTHY**, and has been read, reviewed, and critiqued under my supervision and is approved for submission.

Signature:  Date: 30/11/2022

DR. AISHA NANYITI

SUPERVISOR

DEDICATION

This work is dedicated to my parents, Mr Steven Tugume and Mrs Hellen Kabajungu.

ACKNOWLEDGEMENT

In a special way, I wish to thank the Almighty God for providing me with the wisdom and knowledge towards successful production of this report.

I would like to express my earnest gratitude to Dr. Aisha Nanyiti, my supervisor and academic advisor who was the constant guide and a source of support throughout the course of this study. I am grateful for her insightful comments, stimulating guidance and encouragement.

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May the almighty God bless and reward you abundantly.

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LIST OF ABBREVIATIONS

NGO	Non-Government Organization
RDPA	Rural Development and Poverty Alleviation
UBoS	Uganda Bureau of Statistics
UWFCT	Uganda Women's Finance and Credit Trust Limited
UNIFEM	United Nations Development Fund for women

ABSTRACT

Empowerment of women is important as it enables establish more stable societies, as women participate in economic activity and the development process. Commercial banks play an important role in empowerment by encouraging savings and enabling access to credit. The present paper assesses the role of commercial banks in women empowerment. Primary data was collected from Rukungiri District in Western Uganda. The indicators used for empowerment are earnings per month, having bought something worth UGX 100,000 and leadership status. The findings show that having an active commercial bank account and having a commercial bank loan is positively associated with higher average earnings per month, Having an active commercial bank account is positively associated with the respondent's status of having bought something worth UGX 100,000 and Having an active commercial bank account is positively related to being a leader.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The study examines the role of commercial banks on women empowerment in Uganda. This chapter covers the background to the study, statement of the problem, general objective, specific objectives, research questions, significance of the study and scope of study.

1.2 Background to the Study

The opportunities and access to financial resources among women vary worldwide and are more uncommon in developing countries (Mader, 2018). Globally countries recognize the role of women empowerment in ensuring growth of their economies and so have ensured provision of subsidized support through financial institutions like commercial banks and microfinance institutions especially for women (Mogaji et al., 2021).

Commercial banks are typically defined as institutions that give commercial loans and issue transactions deposits such as savings, current accounts, recurring accounts, fixed deposits, and mutual funds (Malikova, 2020). They also have many other types of assets (cash, securities, and loans) and liabilities and many engage in off-balance sheet activities, including financial guarantees (like loan commitments).

Women empowerment refers to the power over decisions disturbing women's living and self-determination and the ability of women to be financially independent (Malikova, 2020). The process of women empowerment is a way of altering perceptions, to permit the individual to modify the surroundings. It is a process to change the prevailing conditions faced by women, for the better. Empowerment gives individuals strength and opportunities to build up talent, and autonomy. The empowerment of women involves deliberate efforts to raise the status of women through education, awareness, literacy, and training. It can be achieved by eradicating prejudice against women, modifying the social institutions that do not help women and policies for the assurance of equivalent rights (UN, 2004).

According to (Shinbrot et al., 2019), countries globally experience inherent structural impediments that prevent and keep women from participating in the decision-making process over different issues. Likewise, some opportunities are not open to females living in male dominated societies in the underdeveloped countries though most of the countries have formulated policies to favor women to motivate their involvement in different sectors (Rashid

& Ratten, 2020). The unprivileged status of women is a result of multiple factors such as illiteracy, joblessness, early marriages, and family violence, which have prohibited women from attaining greater opportunities (Pande, 2020).

Empowerment strengthens the inborn ability by way of acquiring knowledge, power, and experience (Hashemi Schuler & Riley, 1996). It is not merely a feel of greater extrinsic control, but also grows intrinsic capacity, greater self-confidence, and an internal transformation of one's consciousness that enables one to overcome external barriers to accessing resources or changing traditional ideology (Pinto, 2001).

The World Bank defines empowerment as the process of increasing the capacity of individuals or groups to make choices and transform the choices into desired actions and outcomes. These actions which are built on individual and collective assets improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets (World Bank, 2001). Empowerment further means a psychological sense of personal control or influence and a concern with actual social influence, political power, and legal rights. It is a multi-level construct referring to individuals, organizations, and community (Kabukuru & Afande, 2016). It is an international ongoing process centered in the local community, involving mutual respect, critical reflection, caring and group participation, through which people lacking an equal share of valued resources gain greater access to the control over these resources.

Empowerment with regards to women is the expansion in women's ability to make strategic life choices in a context where this ability was previously denied to them (Kabeer, 2001). Women's empowerment is very essential for the development of society and entails individuals acquiring the power to think and act freely, exercise choice and fulfill their potential as full and equal members of society (Kabukuru & Afande, 2016). The United Nations Development Fund for women (UNIFEM) defines women's empowerment as acquiring knowledge and understanding of gender relations and the ways in which the relations can be changed, develop a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life, Gaining the ability to generate choices exercise bargaining power, develop the ability to organize and influence the direction of social change in order to create a more just social and economic order nationally and internationally thus resulting into economic independence. Chant (2014). In this study, women empowerment will be examined with respect to control of income, control over purchasing capacity and engaging leadership roles.

Different credit programs have been promoted by commercial banks to support business ventures for the poor which could potentially give rise to their economic and social empowerment (Mayoux, 2001). This study focuses on how access to commercial banks through their programs have influenced the lives of poor rural women, a subject that has also been a topic of some controversy. For instance, in Bangladesh, Aktaruzzaman and Farooq (2016) reported that microcredit from commercial banks improves borrowers' household consumption but does not improve the durable goods and health care. Islam et al., (2015) have argued that access to microcredit from commercial banks is associated with increasing household consumption and developing new business, especially those who are poor. Fernandez (2011), microcredit from commercial banks is not working, while Nghiem et al. (2012) and Cull et al., (2009) findings revealed that the scheme has little or no effect in Vietnam and Thailand respectively. Previous studies have considered the relationship between commercial banks and income and consumption however this study assesses the relation between use of commercial banks and women empowerment. .

1.3 Statement of the Problem

Women empowerment is a key to poverty reduction and economic growth. The World Bank's Gender Equality Action Plan for 2007-2010 explicitly recognizes the broad development benefits of women's empowerment to promote shared growth and accelerate the implementation of Millennium Development Goal 3 (MDG3) of promoting gender equality and women's empowerment. Olsson (2010),

One of the identified key constraints facing the women is lack of access to formal sector credit to enable them to take advantage of economic opportunities to increase their level of output hence move out of poverty. This concern, however, has been responsible for the design of various financial sector policies. In the case of Uganda, improving access of credit to the women is recognized as a key development strategy.

However, according to the Uganda National Household Survey (UNHS) 2019/2020, the ownership of formal bank accounts by female is 5.6 percent and 12.5 percent for the male (UBOS, 2021). The report further shows that of those that accessed a loan are 17 percent of female and 21 percent of male. The commercial bank loans to women is at 11.3 percent and 19.6 percent for men (UBOS, 2021). Studies have investigated the impact of commercial bank loans (Halake, 2021; Umadia and Kasztelnik, 2020) and impact of accounts ownership (Ahmad, Green & Jiang, 2020), however these look at the effect of commercial banks on

income and consumption. This paper therefore investigates the relationship between use of commercial banks and women empowerment in Uganda.

1.4 Objectives of the Study

1.4.1 General Objective

The major objective of the study is to assess the relationship between use of commercial banks and women empowerment.

1.4.2 Specific Objectives

The study assessed the following objectives:

- i. To explore how having an active commercial bank account relates to women empowerment.
- ii. To find out how having a commercial bank loan relates to women empowerment.

1.4.3 Research Questions

The study answered the following questions:

- i. Is having an active commercial bank account associated with women empowerment?
- ii. Is having a commercial bank loan associated with women empowerment?

1.5 Scope of the Study

The study used data collected on randomly selected women from peri-urban areas of Rukungiri District in Western Uganda.

1.6 Significance of the Study

The study brings out facts about the roles commercial banks play in empowerment of women. It is also hoped that the study would help the government in assessing women empowerment strategies in connection with commercial bank interventions.

The study findings may also act as a source of literature on topics related to commercial banks and empowerment of women as this can potentially help practitioners to revise the strategies to curbing the raising income gender disparities in Uganda. The study helps the researcher to expand knowledge on commercial banks and women empowerment. The study adds knowledge on the already existing body of knowledge on commercial banks interventions in economically empowering women.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter entails review of related literature from secondary data sources like textbooks, magazines, journals, newspapers, and other print media. Theoretical review and the review of literature in relation to the objective of the study.

2.2 Theoretical Literature

Empowerment is the process of enabling or authorizing individual to think, act and control work in an autonomous way - the process by which one can gain control over one's destiny and the circumstances of one's lives. Empowerment includes control over resources (physical, human, intellectual and financial) and over ideology (beliefs, values, and attitudes) (Baltiwala et al, 2003).

The Mayoux (1998) feminist empowerment theory focuses on women social and economic empowerment, particularly in developing countries (Mayoux, 2005). According to Mayoux (2005), provision of opportunities to women such as credit and saving increases the decision-making power. Women invest credit into micro-enterprises which generate income and this increases the economic empowerment among women. It also enhances social empowerment by increasing the decision-making ability of women. It increases the social capital by enhancing the network. It focusses on poor women and women who can play a role for change (Mayoux, 2006). This theory focuses on equity and equality among men and women. As the decrease in gender discrimination enhances women social and economic empowerment.

The relational theory is the underpinning theory which explains the vulnerability effect on women-empowerment. This is based on three elements: an object at risk, a risk object, and a relationship of risk (Boholm & Corvellec, 2011). These risks involve hazards such as environmental change, social issues such as discrimination among men and women, low-income level, and political issues. The relationship of risk object and an object at risk is known as the third element of this theory which is relationship of risk. Additionally, the relationship of microfinance factors (micro-credit, micro-saving, micro-insurance) and women-empowerment is a valuable relationship, hence, this relationship is also considered as an object. The value of this relationship is at stake due to vulnerability.

Commercial banks offer financial training services to women for improved financial discipline (Karn, 2018). A report by Munene et al., (2019) revealed that many commercial banks especially those that emphasize group lending do training for about a month in the entrepreneurial skills, book keeping, accounting and loan deposits and administration. The training enhances loan use, savings, deposits, and loan repayment. Before the initial loan is disbursed to women, they must attend some training which explains the rules of membership, savings requirement, and penalties for late payment (Alebachew, 2020).

2.3 Empirical Literature

Talent (2018) pointed out that women lacking technical and operating knowledge where large proportions of the population, live in absolute poverty, will have an inability to judge profitability of their operations due to lack basic accounting skills, insufficient technical and business management skills as well as sociocultural constraints and will end up not saving at all. Taking cognizance or the peculiar situations of most women in developing countries in terms of poverty, low educational levels, and other societal discriminations (Ogbe & Kalu, 2021).

Women who manage to start business have been cited as having problems at the growth stages such as inadequate working capital, lack of managerial skills, lack of marketing techniques, lack of work sites and security and basic infrastructure, hostile business environments, poor project and planning skills and lack of information on the available assistance programs (Isaga, 2018). This led to development of the NGOs intervention programs. However, a gap still exists in empirical literature of the effect such programs have had on the performance of women in enterprises specifically in Uganda.

According to Vishal (2019), commercial banks also empower women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities. This economic empowerment is expected to generate increased self-esteem, respect and other forms of empowerment for women beneficiaries. Involvement in successful income generating activities should translate into profits, savings and hence greater control and empowerment. The opportunity to save rather than access to credit would lever the poor out of poverty (Hendriks, 2019). Moreover, some of the poor people are willing only to save, not to borrow. The ability and opportunities to save also serve as protection against illness and occasional unemployment.

According to Pomeroy et al (2020), traditionally, banks have usually not provided financial services to clients with little or no cash income or people without collateral security. Banks incur substantial costs to manage a client account of small sums of many involved.

According to Halake (2021), commercial bank offers different types of loans, these are categorized differently, micro leasing, this option enables you to improve your business capacity and productivity. Through these giving out loans you can acquire equipment, machinery, and motor vehicles that help in increased productivity thus increasing empowerment.

According to Ngai (2020), clients form self-selected groups ranging from five to ten individuals of which at least 50% must be female attend a two-hour lecture on commercial banks rules and procedures. When the sensitization is complete; members can borrow. Neither formal collateral nor a credit history is prerequisite to qualify for a loan. Long term loans range from 10 to 40 years and loan amounts begin at UGX 800,000,000 and increased based on the business potential of the customer. These loans are basically for enabling the commercial banks clients to have startup capital for their businesses as well as for expansionist purposes. Since 50% are female, the commercial banks help the female individuals to have start up and increase their capital thus increased empowerment.

According to Umadia and Kasztelnik (2020), commercial banks give loans to the poor and the rich so as to improve their businesses and enable them to compete favorably with rich large-scale companies. In Uganda, most of the poor have severely limited access to credit and other financial services. Thus, commercial banks try to bridge the gap by availing credit services nearer to the poor. With the recent economic liberation measures the creation of sustainable mechanisms for providing financial services to low-income households particularly those in rural areas has become a critical element in the enhancement of Rural Development and Poverty Alleviation. However, commercial banks vary considerably in visibility, efficiency as well as the scale of operation and have attributed variously to the provision of credit to the rural poor.

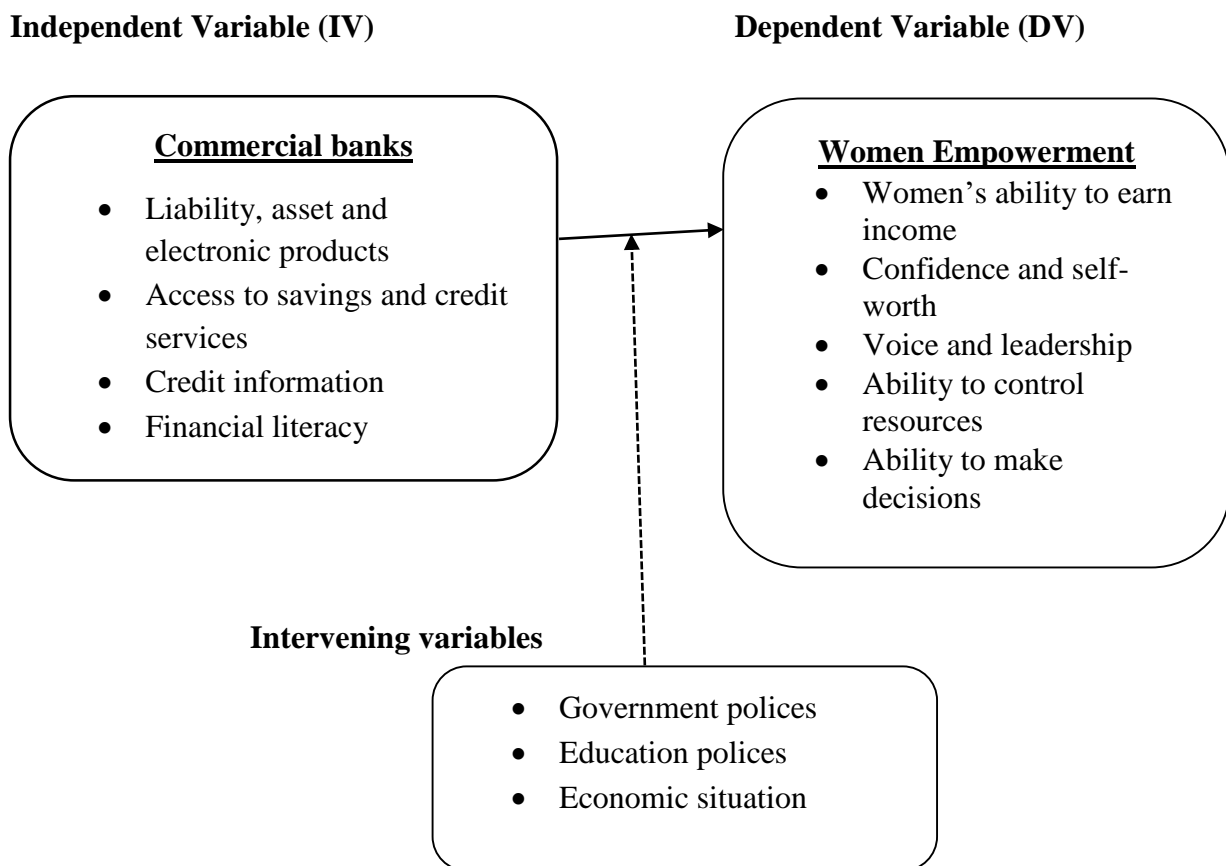
Savings accounts services also allow women to store small amounts of money for future use without minimum balance requirements (Ahmad, Green & Jiang, 2020). The savings accounts are tapped by the saver for life needs such as weddings, funerals, and old age supplementary income. The savings account involves mandatory savings accounts and voluntary savings.

A study by Chowdhury et al., (2018) found out that women entrepreneurs have had limited access to financial services offered by commercial banks. Widespread recognition of this lower accessibility to formal credit has led to recent endeavors to target the poor, especially women entrepreneurs, through development programs that provide financial services (Colovic & Mehrotra, 2020).

2.4 Conceptual framework

The conceptual framework is a diagrammatic expression of the relationship between the study variables. For the case of this study, commercial banks, and women empowerment.

Figure 1: Conceptual framework



The conceptual framework above displays the relationship among independent, dependent and intervening variables. The conceptual framework explains how these variables interrelate with each other and can be affected. The independent variable which is commercial banks basically comprises of the roles of commercial banks which range from liability, asset and electronic products, savings and credit services credit information and financial literacy. The dependent variable is women empowerment, it is therefore assumed that the roles played by commercial banks will have a significant effect on the empowerment of women in-terms of women’s ability to earn income, confidence and self-worth, and voice and leadership abilities. However, this

assumption is possible when other intervening variables such as government policies, education polices, and the economic and political situation among others are held constant.

2.5 Summary of literature

The literature shows that studies have looked at the definition, causes and implications of empowerment. The studies also show the influence of commercial bank loans on income and consumption of both men and women (Halake, 2021; Umadia and Kasztelnik, 2020) and others have researched about the importance of accounts ownership to women (Ahmad, Green & Jiang, 2020). Further these studies have been done in the different countries of Nigeria, Kenya and India. The findings are also different where some studies show a positive while others show a negative impact of commercial bank loans and accounts ownership to empowerment. This study therefore considers investigating both the effects of having a bank account and commercial loan on women empowerment in Uganda.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter consists of description of data collection, sampling, description of variables, descriptive statistics, correlation matrix, empirical model, and analysis method.

3.2 Sampling procedure

The study population is women who use commercial banks, the study was conducted in the peri-urban areas of Rukungiri district.

Rukungiri district is in Western Uganda and was carved out from Kanungu district of the Kigezi region in the year 1974. The district is bordered by Democratic Republic of Congo to the North West, Mitooma District to the north east, Ntungamo District to the southeast, Kabale District to the south and Kanungu District to the west. The district annual population growth rate was calculated at 1.6 percent. In 2012, the population was estimated at 321,300 at an annual growth rate of 1.6% with 96% population is rural-based and depends on agriculture for livelihood (UBOS 2013) and the district has one of the highest poverty rates in the Western Region of the country.

The study was conducted in Rukungiri Municipality. Rukungiri municipality has 4 divisions, namely the Northern, Eastern, Southern and Western divisions. Three villages per division were randomly selected, and 15 respondents from each village were randomly sampled by use of random numbers. In total, the full sample would have been 180 respondents, but only 140 respondents of these agreed to respond to the questionnaire making an average of 11 respondents from each village. The study registered 77% response rate.

3.3 Ethical considerations

Ethical considerations in research concern moral values and rules that must guide the research process. Ethical considerations also mean the motivation based on ideas of what is wrong and what is right. Some of the ethical considerations in this research was focused on; consent of respondents which was sought from each respondent prior to engagement so that they don't feel coerced; confidentiality was emphasized as important to fuller interaction with respondents. Thus, all information given by respondents was handled with confidentiality. Respondent anonymity was addresses and contacts as well as names of respondents remain anonymous throughout the study.

3.4 Data Processing and Analysis

The researcher collected the data using a kobo collect online application, this data was then extracted via Microsoft excel, and then cleaned. The data was then exported to and analyzed using STATA

3.5 Data

The data was collected using a structured questionnaire that was designed based on the literature review. The questionnaire collected information concerning; age, marital status, education, occupation, earnings, income, commercial bank loan, leadership status and assets which include goats, cows, bicycle, pigs, chicken. Therefore, table 1 presents the description of the variables used in the analysis, table 2 presents summary statistics and table 3 presents the correlation matrix.

Table 1: Variable Description

Variable	Description
Age above 29	This is a dummy that takes 1 if age of the respondent is above 29 and 0 otherwise.
Married	This is a dummy that takes 1 if a respondent is married and 0 otherwise
Post O- level education	This is a dummy that takes 1 if the respondent is educated post O- level and 0 otherwise.
Farming main occupation	This is a dummy that takes 1 if the respondent has farming as the main occupation and 0 otherwise
Earnings per month	This is the respondents' average income per month
Active account	This is a dummy that takes 1 if the respondent has an active commercial bank account and 0 otherwise.
Commercial bank loan	This is a dummy that takes 1 if the respondent acquired a commercial bank loan in 2019 and 0 otherwise
Goat asset	This is a dummy that takes 1 if the respondent owns a goat and 0 otherwise
Cow asset	This is a dummy that takes 1 if the respondent owns a cow and 0 otherwise
Bicycle asset	This is a dummy that takes 1 if the respondent owns a bicycle and 0 otherwise
Pig asset	This is a dummy that takes 1 if the respondent owns a pig and 0 otherwise
Chicken asset	This is a dummy that takes 1 if the respondent owns chicken and 0 otherwise

3.6 Descriptive statistics

This looks at the summary statistics of the variables in terms of observations, mean, standard deviation, minimum and maximum values.

Table 2: Summary statistics

Variable	Obs	Mean	Std.Dev.	Min	Max
Age above 29	140	0.879	0.328	0	1
Married	124	0.750	0.435	0	1
Post O-level education	140	0.271	0.446	0	1
Farming main occupation	140	0.171	0.378	0	1
Earnings per month	140	445429	365231	20000	2000000
Having an active account	140	0.579	0.496	0	1
Having a Commercial bank loan	81	0.630	0.486	0	1
Goat asset	140	0.379	0.487	0	1
Cow asset	140	0.0857	0.281	0	1
Bicycle asset	140	0.00714	0.0845	0	1
Pig asset	140	0.379	0.487	0	1
Chicken asset	140	0.243	0.430	0	1

Source: Own computations

Table 2 shows that the average earnings per month for the respondents is UGX 445,429. The minimum earning per month is UGX 20,000 while the maximum earning per month is UGX 2,000,000. The respondents that had the age of above 29 were 0.879; the respondents that were married were 124; those with post O-level education were 140 respondents and those that considered farming as main occupation were 140.

3.7 Correlation matrix

Table 3: Correlation matrix

	Aged above 29	Married	Post O'level education	Farming main occupation	Earnings per month	Having an active account	Having a commercial bank loan	Goat asset	Cow asset	Bicycle asset	Pig asset	Chicken asset
Aged above 29	1											
Married	0.598	1										
Post O' level	-0.472	-0.304	1									
Farming main occupation												
Earnings per month	0.0407	0.0331	-0.0380		1							
Having an active account												
Having a commercial bank loan	0.184	0.257	-0.544		0.170		1					
Goat asset	0.139	0.0542	-0.203		-0.0232		0.153	1				
Cow asset	-0.0606	0.00190	0.0699		0.438		0.0614	-0.260	1			
Bicycle asset												
Pig asset	0.209	0.178	-0.0398		-0.223		-0.148	-0.336	-0.290		1	
Chicken asset	0.105	-0.132	-0.0274		-0.135		-0.0314	-0.0048	-0.145		0.0619	1

Source: Own computations

3.8 Estimation method

To identify the characteristics that explain women's empowerment, we use a multi-variance regression analysis with three empowerment indicators being the respondent's income per month and the respondent's ability to buy something worth UGX 100,000 and respondent's leadership status as the dependent variable. The explanatory and control variables include the respondent having an active commercial bank account, respondent aged above 29, married, post O- level education, farming as main occupation and commercial bank loan.

3.9 Empirical model

To assess the relationship between use of commercial banks and women empowerment, the following model was estimated:

$$E_i = \beta_0 + \beta_1 x_i + \varepsilon_i$$

Where E_i is the empowerment variable for the respondent i , x_i is a vector of individual-level characteristics of a respondent i , and ε_i is an error term, which is assumed to be independently and identically distributed with a normal distribution. The β_s are coefficients to be estimated.

The empowerment variables include respondent's income, respondent's ability to buy something worth UGX 100,000 and the respondent's leadership status. The independent variables include having an active commercial bank account, being aged above 29, being married, having post primary education, doing farming as a main occupation, and holding a commercial bank loan.

CHAPTER FOUR

RESULTS

4.1 Introduction

This chapter presents results of the study. We assess the relationship between the use of commercial banks and women empowerment. The main results are presented in Table 4, 5 and 6.

4.2 Relationship between use of a commercial bank and Women empowerment: earnings per month

Table 4 presents results for the relationship between use of commercial banks and women empowerment using the respondent's average monthly earnings as the measure of women empowerment. Column 1 and 2 presents results for having an active account as the measure of use of commercial banks, Column 3 and 4 present results for having a commercial bank loan as a measure of use of a commercial bank. In column 2 and 4, we control for heteroscedasticity by using robust and standard errors.

Table 4: Relationship between use of a commercial bank and Women empowerment; earnings per month indicator as the indicator for women empowerment

	Earnings per month			
	(1)	(2)	(3)	(4)
Having an active commercial account	222,910***	222,910***		
	(72,476)	(80,700)		
Having a commercial bank loan			177,960	177,960**
			(117,426)	(76,194)
Aged above 29	5,396	5,396	100,015	100,015
	(107,067)	(58,846)	(235,507)	(105,308)
Married	82,832	82,832*	-39,221	-39,221
	(84,988)	(45,492)	(176,614)	(104,731)
Post O'level	28,758	28,758	89,074	89,074
	(72,711)	(69,649)	(135,031)	(71,179)
Farming main occupation	-171,536*	-171,536**		
	(103,339)	(69,337)		
Constant	274,946**	274,946***	377,586	377,586***
	(113,031)	(54,780)	(232,915)	(94,237)
Observations	124	124	71	71
R-squared	0.232	0.232	0.036	0.036

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

Source: Own computations

Results in table 4 show that having an active commercial bank account is associated with higher average earnings per month. Monthly incomes of respondents that have an active commercial bank account are higher than those without an active commercial bank account by 222,910. This is because commercial banks empower women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities. The findings are in line with Vishal (2019) who found that bank accounts are associated with empowerment.

Being married is positively related to earning per month. Monthly incomes of respondents that are married are higher than the unmarried by 82,832. Married respondents increase their labour force participation which further increases their earnings.

Farming as main occupation is negatively related to earning per month. Monthly incomes of women that are farmers is less than the non-farmers by 171,536. This may be due to the shocks like climate change, drought in the agricultural sector that affect the farmer's production thus a reduction in the earnings per month (Bowler, 1999).

Having a commercial bank loan is positively associated with earning per month. Monthly incomes of women that have a commercial bank loan are higher than those without a commercial bank loan by 177,960. This is because commercial banks give loans to the women so as to enable them to compete favorably with other businesses. Thus, commercial banks try to bridge the gap by availing credit services nearer to the women leading to an increase in their earnings per month. The findings are in line with Umadia and Kasztelnik (2020) who found a positive impact of commercial loans on empowerment.

4.3 Relationship between use of commercial banks and women empowerment: Bought something worth UGX 100,000

Table 5 presents results for the relationship between use of commercial banks and women empowerment using the women's ability to buy something worth UGX 100,000 as the measure of women empowerment. Colum 1 and 2 presents results for having an active account as the measure of use of commercial banks, Colum 3 and 4 present results for having a commercial bank loan as a measure of use of a commercial bank. Column 2 and 4, we control for heteroscedasticity by using robust and standard errors.

Table 5: Relationship between use of commercial banks and women empowerment; Bought something worth UGX 100,000 as the indicator for women empowerment

	Bought something worth 100,000			
	(1)	(2)	(3)	(4)
Having an active commercial account	0.235***	0.235***		
	(0.0737)	(0.0893)		
Having a commercial bank loan			0.00727	0.00727
			(0.0646)	(0.106)
ageabove29	-0.133	-0.133	0.189	0.189
	(0.109)	(0.144)	(0.130)	(0.155)
Married	0.257***	0.257**	0.0169	0.0169
	(0.0864)	(0.112)	(0.0972)	(0.0774)
Post O'level	0.00147	0.00147	0.0426	0.0426
	(0.0739)	(0.0699)	(0.0743)	(0.0808)
Farming main occupation	-0.249**	-0.249*		
	(0.105)	(0.147)		
Constant	0.617***	0.617***	0.751***	0.751***
	(0.115)	(0.150)	(0.128)	(0.183)
Observations	124	124	71	71
R-squared	0.383	0.383	0.053	0.053

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

Source: Own computations

Having an active commercial account is positively associated with the respondent's ability to buy something. The respondent's ability to buy something is higher for those with commercial accounts than those without by 0.235. The findings are in line with Halake (2021) who found that having an account is associated with empowerment.

Being a married woman is positively associated with the respondent's ability to buy something worth UGX 100,000. The individual's ability to buy something worth UGX 100,000 is higher for those that are married than the unmarried by 0.257. There is rise in the employment of married women given that they have family responsibilities and dependents to look after so this enables them to earn and be able to purchase various items.

4.4 Relationship between use of commercial banks and women empowerment: Leadership status

Table 6 presents results for the relationship between use of commercial banks and women empowerment using the women's Leadership status as the measure of women empowerment. Colum 1 and 2 presents results for having an active account as the measure of use of commercial banks, Colum 3 and 4 presents results for having a commercial bank loan as a measure of use of a commercial bank. In column 2 and 4, we control for heteroscedasticity by using robust and standard errors.

Table 6: Relationship between use of commercial banks and women empowerment; Leadership status as the indicator for women empowerment

	Leadership status			
	(1)	(2)	(3)	(4)
Having an active commercial bank account	0.171*	0.171**		
	(0.0919)	(0.0856)		
Having a commercial bank loan			0.0360	0.0360
			(0.154)	(0.172)
Aged above 29	-0.178	-0.178	0.102	0.102
	(0.136)	(0.146)	(0.309)	(0.361)
Married	0.131	0.131	0.0169	0.0169
	(0.108)	(0.106)	(0.231)	(0.279)
Post O'level education	-0.0163	-0.0163	-0.00934	-0.00934
	(0.0922)	(0.0967)	(0.177)	(0.197)
Farming main occupation	-0.0288	-0.0288		
	(0.131)	(0.100)		
Constant	0.206	0.206	0.192	0.192
	(0.143)	(0.155)	(0.305)	(0.269)
Observations	124	124	71	71
R-squared	0.088	0.088	0.007	0.007

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

Source: Own computations

Having an active commercial account is positively related to a respondent's ability to be a leader. The number of women with a leadership status is higher for those with active commercial account than those without by 0.171. Being financially empowered through owning a commercial account increases the ability to recognize and make the changes necessary for success. A leader with strong competency in bearing personal accountability provides an inspiring model for other members to emulate. Halake (2021) found that having an account is associated with empowerment.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summaries of the findings, discussions of findings according to the objectives set for the study, conclusions derived from the findings, and the recommendations that will help in women empowerment.

5.2 Summary of the findings

The study assesses the role of commercial banks towards women empowerment. The study used primary data collected from Rukungiri District in Western Uganda.

The study considered the indicators of earnings per month, bought something worth UGX 100,000 and leadership status as the dependent variables while the independent variables are active commercial account, commercial bank loan, age above 29, married, post O'level and farming as main occupation.

The findings show that having an active commercial bank account, being married and having a commercial bank loan is positively associated with higher average earnings per month while farming as a main occupation is negatively associated with higher average earnings. Having an active commercial bank account and being married is positively associated with the respondent's ability to buy something worth UGX 100,000. Having an active commercial bank account is positively related to a respondent's leadership status.

5.3 Limitations of the study

The study considered the analysis of correlation and not impact therefore there the study does not show how much the independent variables impact on the dependent variables.

5.4 Areas for further study

As the samples of the study were focused on Rukungiri District, which is just one district in the whole of Uganda, the results of the study cannot be inferred for the rest of the country. Further research should be carried out with more districts to get a more detailed outcome. Further possible extensions of this study should also focus on conducting the same study for different sectors to determine whether there are sector differences in women empowerment.

5.5 Conclusion

Commercial banks play a pivotal role as far as women empowerment is concerned. The banking sector has been at the forefront of women empowerment moment through pioneering efforts like financial inclusion and economic independence of women.

An attempt has been made in this paper to integrate the issues of commercial banks and women empowerment. To establish the link, two comprehensive factors stand out and that's having an active commercial bank account and having a commercial bank loan. These have a greater role to play in empowering women thus it can be said they are a catalyst for empowering women.

5.6 Recommendations

Having an active commercial bank account is positively associated with higher average earnings per month, respondent's ability to buy something and respondent's ability to be a leader. The commercial banks should research the market to find out what women need and then customize their existing products and services to help make their lives easier, more secure, and more prosperous. These may include challenges such as; lack of ID documents needed to open an account, the lack of financial independence and thus money, fees linked to holding an account.

The commercial banks can actively train their staff and management to achieve the women's market goals. They can also create systems in their databases to identify women-led businesses, as well as monitor and evaluate women's sales and employment growth and design packages that can empower them.

The commercial banks should ensure that the bank services are extended to the individuals and reduce on the distance to banks; literacy level and collateral agreements should be made gender-sensitive in that they have impeding effects on women's access to bank loans.

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APPENDICES

Appendix A: Questionnaire

**MAKERERE UNIVERSITY
COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES
SCHOOL OF ECONOMICS**

M.A. ECONOMIC POLICY AND PLANNING

RESEARCH ON COMMERCIAL BANKS ROLE ON WOMEN EMPOWERMENT

Informed consent

Dear Respondent,

I am a student of Makerere University, School of Economics carrying out research on the Role of commercial banks on women empowerment. You and other residents from this village have been randomly selected to participate in this study. You are kindly requested to respond to the following questions. The study is purely for academic purposes and the information provided will be kept confidential.

During the interview I will ask you questions about yourself, commercial banks transaction, saving groups/SACCOs and Women empowerment. Your participation is purely on voluntary will. The interview will last for 15-30 minutes. During the interview you will be free to decline answering some questions if you feel like so, and you can stop the interview any time you want to. I request you to sign this consent form twice if you agree to participate in this study. One form will be taken to Makerere University and the other form will remain with you.

Do you agree to participate in this survey?

Yes

No

Name: _____

Location: _____

Date: | | | | | | | |

Signature:

SECTION A: Respondents bio-data

Tick the most appropriate box

1. Gender. Male Female
 2. Marital status. Single Married Divorced/Separated Widowed
 3. Age bracket. Less than 20 years 20-29 years 30-39 years 40-49 years
50 years and above
 4. Your highest level of education. Primary O' Level A 'Level Diploma
Degree Master degree No Education Other (specify) _____
 5. How many children live within your house hold? _____
 6. How many of the children are in school? _____
 7. How many children adults live in your household? _____
 8. What is your main occupation?
Farming Housework Salaried worker Community work
Others please specify _____
-

Commercial Bank Transactions

1. Have you ever held an account/accounts with a commercial bank?
Yes No
2. Name the commercial banks in which the account/accounts are held?
3. When did you join this bank?

4. If yes in 1 above, is your account with a commercial bank still active?
Yes No
5. How many active accounts do you hold with commercial banks?
One two to three more than 3 accounts
6. Why did you open an account with the commercial bank?
Earn Salary Savings Access Loans Receive transfers
Others Specify _____
7. What do you use the account held with a commercial bank for?

Earn Salary Savings Access Loans Receive transfers
Others Please Specify _____

8. Do you currently have a loan with a commercial bank?

Yes No

9. If yes how much loan do you hold from the commercial bank?

10. At what interest rate did you acquire the loan?

11. In your opinion, do you think the interest rate was fair?

Yes No

12. What did you use as collateral security while acquiring the loan?

Family land Single owned land Car Family house

Other house others please specify _____

13. What did you use the acquired loan for?

School fees Business Acquire land House hold items

Build a house others Please Specify _____

14. In 2019, did you obtain a loan from the bank?

Yes No

15. If yes, how much loan did you take from the commercial bank? _____

16. What did you use the acquired loan for?

School fees Business Acquire land House hold items

Build a house others Please Specify _____

17. Have you received any investment advice from a commercial bank?

Yes No

18. What training have you received from the commercial bank?

No training financial literacy Agribusiness Entrepreneurship skills

Group dynamics others, please specify _____

SACCO/Saving group Transactions

1. Are you a member of any saving group/SACCO?

Yes No

2. When did you join the SACCO? _____
3. How many groups/SACCO do you belong to?
 One two to three More than 3
4. Name the saving groups/SACCO in which you account/accounts are held

5. How much do you save averagely a month? _____
6. Why did you join the saving group/SACCO?
 Savings Access Loans Peer pressure
 Others Specify _____
7. Do you currently hold a loan with a saving group/SACCO?
 Yes No
8. If yes how much loan did you take from the saving group? _____
9. At what interest rate did you acquire the loan? _____
10. In your opinion, do you think the interest rate was fair?
 Yes No
11. What did you use as collateral security while acquiring the loan?
 Family land Single owned land Family house No collateral
 Other house others please specify _____
12. What did you use the acquired loan for?
 School fees Business Acquire land House hold items
 Build a house others Please Specify _____
13. In 2019, did you acquire a loan from a saving group/SACCO?
 Yes No
14. If yes above, how much loan did you take from the saving group/SACCO? _____
15. What did you use the acquired loan for?
 School fees Business Acquire land House hold items
 Build a house others Please Specify _____
16. Have you received any investment advice within the saving group/SACCO?
 Yes No
17. What of the following organizations has trained you?
 Commercial bank Local NGO Government Community Volunteer
 Others Please Specify _____
18. What training have you received from external organizations?

No training financial literacy Agribusiness Entrepreneurship skills
Others, please specify _____

Women Empowerment

1. How much income on average do you earn monthly? _____
2. Are you free to spend the earned income in any way you want without interference
Yes No
3. In the last six months, have you bought anything for yourself worth 100,000 at once?
Yes No
4. If yes what did you use the acquired loan for?
School fees Business Acquire land House hold items
Build a house others Please Specify _____
5. In the last six months, have you bought anything for yourself worth 30,000 at once?
Yes No
6. If yes, what did you use the acquired loan for?
School fees Business Acquire land House hold items
Build a house others Please Specify _____
7. Do you solely own any of the following assets?
Radio Fridge Television set Microwave Goat
Cow Car Motorcycle Bicycle Pig
Land Chicken Others, Please Specify _____
8. Do you hold any leadership position/role in this community?
Yes No
9. At what level do you hold the leadership position?
Local Council Market Saving group/SACCO Church
Community groups Others, Please Specify _____

Appendix B: Introductory Letter

MAKERERE

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College of Business and Management Sciences (CoBAMS)

School of Economics

OFFICE OF THE DEAN

Ref. No: SOE/DEAN/001/2022

June 6, 2022

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: TURYASINGURA TIMOTHY M.A (EPP) –REG. NO 2019/HD06/28048U

The above named person is our student on Master of Arts in Economic Policy and Planning at the College of Business and Management Sciences, Makerere University

As part of the programme, he is undertaking research on the "**Commercial Banks and women empowerment in Uganda, A case of Rukungiri Municipality**".

He would like to collect data from your organization, please accord him the necessary assistance.

For more information please do not hesitate to contact the undersigned.

Yours faithfully,

Prof. Edward Bbaale
Dean, School of Economics

